



**Office of the Attorney General  
Paul G. Summers**

**NEWS RELEASE**

Office of the Attorney General at  
P.O. Box 20207 Nashville, TN 37202-0207

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CONTACT:  
Sharon Curtis-Flair  
(615) 741-5860

**TENNESSEE JOINS NATIONWIDE AGREEMENT IN ANTITRUST DRUG CASE  
State Agencies, Tennesseans to get Refunds**

As many as 7,400 Tennesseans may be eligible for refunds and the State will receive approximately \$200,000 as a result of a multistate agreement in an antitrust drug sales case. Attorney General Paul G. Summers today announced that a federal court in Washington, D.C. has given final approval to antitrust settlements that will refund over \$100 million to consumers and government agencies in all 50 states and the District of Columbia.

The settlement concludes antitrust litigation initiated in December 1998 against Mylan Laboratories and several other companies involved in the manufacture of generic anti-anxiety drugs lorazepam and clorazepate. The litigation conducted by state attorneys general, including Tennessee, alleged illegal agreements to monopolize the markets for these drugs, resulting in price increases from 1,900 percent to 3,000 percent.

"This litigation means 7,400 Tennesseans may be eligible for refunds and an additional \$200,000 will be returned to state agencies who were harmed by this anti-competitive conduct," said Tennessee Attorney General Paul G. Summers. "The refunds are expected to be mailed out this spring."

Last year, the defendants made the agreement with Mylan paying \$100 million and another defendant, SST Corp., paying \$500,000. The settlement approved today will permit distribution of the settlement amounts to consumers and government agencies which paid higher prices as a result of the alleged conspiracy to raise prices.

The settlement provides for approximately \$67 million to be distributed to consumers who paid higher prices for lorazepam and clorazepate and who submitted claim forms identifying their purchases. Nationwide, government agencies such as Medicaid and state hospitals will receive approximately \$29 million as compensation for the higher prices paid for their drug purchases or reimbursements. Approximately \$200,000 of this amount will go to compensate Tennessee agencies harmed by the illegal conduct. State attorneys general will receive \$8.1 million in reimbursement of their costs of the litigation and for their attorneys fees.

Over 240,000 purchasers nationwide have submitted claims for refunds, including 7,400 in Tennessee. If funds are sufficient, consumers are expected to receive refunds of 60 percent of the amounts paid for lorazepam and 70 percent of the clorazepate amounts. These percentages constitute 100 percent of the estimated overcharges. The size of the refunds will vary according to the amount of purchases.

The litigation was pursued by a group of thirty-two states, the District of Columbia, and the Federal Trade Commission.